NORTH CENTRAL REGIONAL TRANSIT DISTRICT (NCRTD)
FINANCE SUBCOMMITTEE

May 23, 2014
9:00 a.m. - 11:00 a.m.

Executive Conference Room
1327 N. Riverside Drive
Espanola, NM 87532

AGENDA

CALL TO ORDER: Tim Vigil, Chair

Roll Call:

ITEMS FOR DISCUSSION/RECOMMENDATION

A. **Discussion and Review of FY15 Compensation Plan and Performance Increase Matrix**
Sponsor: Anthony Mortillaro, NCRTD Executive Director. *Attachment.*

B. **Minutes from April 25, 2014**
Draft Minutes.

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language Interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing of the meeting, please contact the NCRTD Executive Assistant at 505-629-4702 at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats.

Memorandum

To: Finance Subcommittee
From: Anthony J. Mortillaro, Executive Director
Thru:
CC:
Date: May 23, 2014
Re: **FY 15 COMPENSATION PLAN AND PERFORMANCE INCREASE MATRIX**

Background: In fiscal year 2014 the district budgeted for a 3.5% increase in compensation costs and pay indexed benefit costs. For fiscal year 2015 the same amount has been placed in the budget for compensation increases. The proposed Compensation Plan for FY 2015 represents an adjustment of all pay ranges by 3%. The movement of the ranges does not shift pay ranges to the extent that existing employees would fall below the minimum. In addition it does not increase any employee's compensation. Lastly, the new position of Marketing and Communications Specialist has been added.

The District ascribes to a pay for performance system for non-represented employees. In FY 14 the matrix provided a 2% increase for those employees that were achieving expectations and 3.5% for those that exceed expectations. For FY 15 the Performance Increase Matrix has been evolved to provide for a further refinement of increases pegged to performance scores. As a result those employees whose score is indicative of truly meritorious performance will receive a greater increase than those whose performance is not as ambitious. An employee receiving a score of less than 3.0, which means that they are either partially meeting expectations or in need of improvement will not be eligible for a performance adjustment.

At this time no data and information related to positions covered by the Collective Bargaining Agreement (CBA) is available since we have not yet met in negotiations to ascertain what the Unions requests will be for this next round of discussions.

Recommendation: It is suggested that the Finance Subcommittee discuss the Compensation Plan and Performance Increase Matrix and recommend forwarding them to the Board for adoption.

Attachments: Compensation Plan – Non-Represented (FY15) and Performance Increase Matrix (FY15).

North Central Regional Transit District
Compensation Plan - Fiscal Year 2015 - Non Represented

Job Title	Minimum	MidPoint	Maximum	FSLA Status	Job Code	Department
Finance Director**	$71,801	$89,752	$107,702	Exempt	110	Administration
Transit & Facililties Operations Director**	$70,570	$88,212	$105,855	Exempt	200	Operations
Human Resources, Safety & Risk Administrator**	$58,338	$72,922	$87,507	Exempt	120	Administration
Fleet & Facilities Maintenance Manager	$46,579	$58,224	$69,870	Exempt	220	Operations
Public Information Officer	$45,982	$57,478	$68,974	Exempt	125	Administration
Financial Analyst	$42,730	$53,413	$64,095	Exempt	115	Administration
Marketing & Communications Specialist	$40,980	$51,226	$61,471	Exempt	117	Administration
Projects & Grants Specialist	$40,980	$51,226	$61,471	Exempt	130	Administration
Transit Shift Supervisor	$37,727	$46,216	$54,705	Non exempt	205	Operations
Executive Assistant	$36,218	$44,367	$52,516	Non exempt	135	Administration
Financial Specialist	$32,486	$39,796	$47,106	Non exempt	116	Administration
Administrative Specialist	$31,727	$38,864	$46,004	Non exempt	230	Operations
Facilities Maintenance Specialist	$31,588	$37,905	$44,223	Non exempt	225	Operations
Fleet & Facilities Maintenance Worker	$28,488	$34,186	$39,883	Non exempt	226	Operations

**At will positions

NCRTD - Performance Increase Schedule - FY 2015

	Performance Score				
	<3	3.00-3.25	3.26-3.5	3.51-3.75	3.76-4.00
Performance Adjustment					
Employee pay rate falls below pay plan maximum. Increases are added to the base pay.	0.00%	2.00%	2.50%	3.00%	4.00%
Performance Recognition - One Time Salary Distribtuion					
Employee pay rate falls at or above maximum. Award treated as a one time distribution and not added to the base pay.	0.00%	2.00%	2.50%	3.00%	4.00%

Evaluation Form Performance Ratings and Numerical Score:

Performance Rating	Score
Exceeds Expectations	4
Achieves Expectations	3
Partially Meets Expectations	2
Needs Improvement	1

Finance Subcommittee

Meeting April 25, 2014

9:00 a.m.

Board Members Present: *Commissioner Miguel Chavez – Santa Fe County (Telephonically), Leandro Cordova - Taos County, Pete Sheehey – Los Alamos County*

Staff Present: *Anthony Mortillaro – Executive Director, Glenda Aragon – Finance Manager, Pat Lopez – Finance Analyst, Michael Kelly – Facilities and Transit Operations Director, Gus Martinez – Fleet and Facilities Maintenance Manager, Jim Nagle – Public Information Officer, Dalene Lucero – Executive Assistant*

Guest(s) Present*:*

Absent: *Commissioner Barney Trujillo - Rio Arriba County, Tim Vigil – Pueblo of Pojoaque*

Transcribed By: Dalene E. Lucero – Executive Assistant

ROLL CALL

APPROVAL OF AGENDA

CALL TO ORDER

A regular Finance Subcommittee meeting was called to order on the above date by Mr. Anthony Mortillaro at 9:11 a.m.

ITEMS FOR DISCUSSION/RECOMMENDATION

A. Discussion and Review of FY15 Preliminary Budget

Mr. Mortillaro gave a brief overview on this item. He proceeded to mention that the budget would be discussed in greater detail by each of the Department heads. He then asked Mr. Lopez to go over the revenue and expenditure portion of the budget.

Mr. Lopez first went on to reference the revenue portion of the budget. He noted that the federal revenue projection contained in this budget is premised upon a recommended award of Federal Funds passed through the NMDOT Transit and Rail Division for FY 15. This year the District is projecting an award that could be $221,958 greater than FY 14. This award amount includes the federal capital funding allocation of $355,000.

Councilor Sheehey asked if MAP-21 was a done deal for FY15.

Mr. Lopez stated that it appeared to be based upon the correspondence received from NMDOT.

Mr. Mortillaro noted that MAP-21 will expire fairly soon and that Congress had not decided on a long-term funding source. However, everyone believes that continuing resolutions may be passed until they can come to a consensus.

Further Discussion went on regarding this item.

Mr. Lopez than proceeded, stating that the Federal Veteran's Initiative funding from FY 14 for the Intelligent Transportation System (ITS) that was commenced but not completed ($54,400) is being carried forward in FY 15. In addition, $215,736 of the Transportation Alternatives Program (TAPS) funding for the ADA Transition Plan and design and construction services is also being carried over into FY 15.

Mr. Lopez continued, stating that the District was awarded a Capital Outlay distribution from the State Legislature in the amount of $175,000 for FY 15 for the acquisition of buses. He then went on to mention that the District's GRT is based upon current year to date collections and projections of what is likely to transpire in the remainder of the year. As in the past the District has chosen to be conservative in estimating for the upcoming budget year and are therefore estimating a slightly increased revenue projection of $51,571 from FY 14 Budgeted ($6,757,529 FY 14 vs. $6,809,100 FY15).

Mr. Lopez noted that the Los Alamos County contribution has decreased from prior years. This year's funding contribution will be $50,000 less than the previous fiscal year ($450,000 FY 14 vs. $400,000 FY 15).

Councilor Sheehey stated that the projected amount of $400,000 is in Los Alamos County's FY15 budget. The County is in the process of approving the budget, however he mentioned that he did not anticipate any problems.

Councilor Sheehey proceeded, stating that GRT in Los Alamos County would be going up in the next fiscal year. He noted that this should be making up for the change in contributions.

Mr. Cordova noted that it looked as if the District had already expended most of the grant money. However, the year-to-date actuals didn't reflect all of the reimbursement of those funds.

Mr. Lopez stated that the actual year-to-date is as of 2/28/14; the District does not receive reimbursement until about a month and a half after they have incurred the expenditure for the month.

Mr. Lopez went on to mention that the District is budgeting $245,436 in cash balance and project carryovers. The FY 15 budget provides carryover funds for the finalization of the Intelligent Transportation System. In addition, the FY 15 budget anticipates continued investment in District fleet which will provide for the replacement of 6 buses and a continuation of placement of new bus shelters as needed. Funding has been acquired for the District to conduct an ADA assessment of its bus shelter stops and make modifications to ensure that they meet all federal accessibility requirements and those funds are carried over from the prior year for this project. Lastly, the District's newly adopted five year service plan implementation is funded to the extent that resources permit.

Mr. Mortillaro stated that the overall reserve balance exceeds the 25% Board requirement of $2,424,186. The projected balance for ending FY 14 is $6,950,459.

[Mr. Lopez passed out an additional spreadsheet to further elaborate on the Gross Receipts Tax.]

Mr. Lopez then stated that the District is requesting $6,809,100 in Gross Receipts Taxes, which is a slight increase from the previous fiscal year ($6,757,529). He went on to go over the GRT breakdown for FY11 through FY15 in further detail. Mr. Lopez noted that the numbers tend to fluctuate month-to-month. Therefore, the District is projecting more conservatively.

Councilor Sheehey noted that although it is good to budget conservatively, Los Alamos County is anticipating in increase in GRT.

Mr. Lopez proceeded to go over the GRT projections by county. He mentioned that Taos County was doing very well.

Mr. Cordova noted that Taos County had a lot going on in terms on the ski valley, special events, the airport, etc. He also stated that he was budgeting conservatively as well, however hopefully Taos County can supplement some income for the District.

Councilor Sheehey asked if a budget amendment could be done if GRT came in higher than anticipated.

Mr. Mortillaro stated they could.

Further discussion went on regarding this item.

Mr. Mortillaro stated that Service enhancements and modifications are presented within the draft proposed budget to align with the updated service plan adopted by the Board in April 2014. Service savings have not been removed from the draft budget since the modifications associated with these savings will not take place until the later part of 2014. Reallocation of any savings realized from these changes have been programmed into the FY 2015 budget.

Mr. Mortillaro continued, stating that Divisional expenditure breakouts have been added for public information and marketing and human resources. This will allow for enhanced budgetary information related to these two key activities.

Mr. Jim Nagle went on to present the Public Information and Marketing budget, stating that additional funding had been allocated in order to enhance communications related to service route enhancements and the roll out of the ITS.

Mr. Mortillaro mentioned that the District had budgeted for a Marketing Specialist to enhance the Districts need to extensively market its services to district constituencies and for generation of funding for premium services. He elaborated further on this item.

The Finance Subcommittee than discussed the LFC program review.
The budget was then discussed in further detail by each Department head.

It was recommended that the Finance Subcommittee should consider a motion recommending a proposed FY 2015 Budget for the Boards consideration.

Councilor Sheehey made a motion recommending the proposed FY2015 Budget for the Boards Consideration. Commissioner Chavez seconded the motion and it passed by unanimous voice vote (3-0).

B. Discussion and Review of Quarterly Investment Report

Ms. Aragon gave a brief overview on this item. She stated that back in November the Board approved for the District to begin participating in the New MexiGROW Local Government Investment Pool. The LGIP is a short-term investment fund, consisting of deposits from governmental entities and Indian tribes or pueblos. The authorizing NCRTD Board resolution allowed the participation of a voluntary investment option that is intended to safely generate market returns by utilizing the purchasing power of a large pooled fund.

Ms. Aragon went on to mention that 60% of the remaining reserves are allocated into short term certificate of deposits throughout various FDIC insured institutions in the state of New Mexico; all short term investments have been established for a period of 12 months or less. The allocations authorized by the Board for division for these short term investments were in the amount of $4,074,199. All District funds were to remain 100% collateralized.

Ms. Aragon proceeded, stating the District sought to balance three primary objectives for its cash portfolio: 1) Maintaining sufficient liquidity to meet financial obligations; 2) Earning a market rate of return (subject to permitted investment constraints); and 3) Diversifying investments among asset classes to ensure safety of principal.

Ms. Aragon then referenced page 28 of the packet, noting the various financial institutions in which the District has established their CDs, as well as the investment period for each.

Mr. Mortillaro noted that prior to these investments, the District held its money in a checking account with a very small rate of return. He also stated that as requested by the Board, staff has laddered these investments; each has a different maturity date. Mr. Mortillaro continued, stating that the amount of money in the checking account was not included in the summary. However, as required by District policy, the District retains a certain amount of money in the account to cover daily expenses and excess funds will be swept into a certificate of deposit investment account

Further discussion went on regarding this item.

It was recommended that the Finance Committee discuss and review the information presented in relation to the LGIP and District Division of Certificate of Deposit Investments report, and recommend that the Board of Directors review the information presented.

[This item was for discussion and review only. No action was required on this item.]

C. Minutes from January 24, 2014

Mr. Mortillaro asked the Finance Subcommittee to review and approve the minutes from January 24, 2014.

Commissioner Chavez made a motion to approve the minutes from January 24, 2014. Councilor Pete Sheehey seconded the motion and it passed by unanimous voice vote (3-0).

MATTERS FROM THE SUBCOMMITTEE

There were none.

ADJOURN

The Finance Subcommittee meeting was adjourned at 11:17 a.m.

The next Finance Subcommittee meeting will be held on May 23, 2014 at 9:00 a.m.